



Byron W. Hinson
Director
Rates and Regulatory Services

June 14, 2017

Ms. Jocelyn Boyd
Chief Clerk & Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Dear Ms. Boyd:

Attached are copies of the Quarterly Report for South Carolina Electric & Gas Company, Electric Retail Operations for the twelve months ended March 31, 2017.

Sincerely,

Byron W. Hinson

cw

Attachments

c: Dawn Hipp (ORS)
Jay Jashinsky (ORS)

CERTIFICATION

I, Kevin B. Marsh, state and attest, under penalty of perjury, that the attached Quarterly Report of Retail Electric Operations is filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Chief Executive Officer

Kevin B. Marsh


Typed or Printed Name of Person Signing

Chairman of the Board, Chief Executive Officer
Title

6-5-17

Date Signed

Subscribed and Sworn to me on this 5th of June,
2017.



Notary Public

My Commission Expires: 01-05-2021

CERTIFICATION

I, Jimmy E. Addison, state and attest, under penalty of perjury, that the attached Quarterly Report of Retail Electric Operations is filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Chief Financial Officer

Jimmy E. Addison

Typed or Printed Name of Person Signing

Chief Financial Officer

Title

6-5-17

Date Signed

Subscribed and Sworn to me on this 5-19 of June, 2017.


Notary Public

My Commission Expires: 07-25-2020

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RETAIL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED MARCH 31, 2017

EXHIBIT A

<u>DESCRIPTION</u>	<u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u> (\$)	<u>ACCOUNTING & PROFORMA ADJUSTMENTS</u> (\$)	<u>TOTAL AS ADJUSTED</u> (\$)
	COL. A	COL. B	COL. C
<u>OPERATING REVENUES</u>	<u>2,554,278,552</u>	<u>(427,409,746)</u>	<u>2,126,868,806</u>
<u>OPERATING EXPENSES</u>			
Fuel Costs	599,397,214	-	599,397,214
Other O&M Expenses	590,929,363	379,481	591,308,844
Deprec. & Amort. Expenses	263,732,464	2,603,913	266,336,377
Taxes Other Than Income	201,315,273	2,386,309	203,701,582
Income Taxes	<u>203,575,733</u>	<u>(112,642,336)</u>	<u>90,933,397</u>
Total Operating Expenses	1,858,950,047	(107,272,633)	1,751,677,414
Operating Return	695,328,505	(320,137,113)	375,191,392
Customer Growth	4,974,745	(2,290,429)	2,684,316
Int. on Customer Deposits	<u>(1,043,392)</u>	<u>-</u>	<u>(1,043,392)</u>
Total Income for Return	<u>699,259,858</u>	<u>(322,427,542)</u>	<u>376,832,316</u>
<u>ORIGINAL COST RATE BASE</u>			
Gross Plant in Service	9,480,086,787	(12,076,728)	9,468,010,059
Reserve for Deprec.	<u>3,744,430,333</u>	<u>(6,330,096)</u>	<u>3,738,100,237</u>
Net Plant	5,735,656,454	(5,746,632)	5,729,909,822
CWIP	4,770,462,129	(4,484,604,225)	285,857,904
Net Deferred/Credits	14,394,930	(118,412)	14,276,518
Accum. Def. Income Taxes	(1,146,135,174)	(265,414,505)	(1,411,549,679)
Materials & Supplies	390,580,217	11,895,270	402,475,487
Working Capital	<u>7,355,474</u>	<u>47,435</u>	<u>7,402,909</u>
Total Original Cost Rate Base	<u>9,772,314,030</u>	<u>(4,743,941,069)</u>	<u>5,028,372,961</u>
 RATE OF RETURN	 7.16%		 7.49%
RETURN ON EQUITY	8.52%		9.19%

Note: For information purposes only, including DSM revenues and expenses, the Total as Adjusted ROE is 9.81%

**Supplemental
Schedule To
Exhibit A**

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
ANNUALIZED INTEREST EXPENSE**

TWELVE MONTHS ENDED MARCH 31, 2017

RATE BASE	\$ 10,035,453,925
LONG-TERM DEBT RATIO	<u>50.26%</u>
AVERAGE COST OF DEBT	\$ 5,043,819,143 <u>5.80%</u>
ANNUALIZED INTEREST	\$ 292,541,510
TAX BOOK INTEREST	<u>\$ 236,979,446</u>
INTEREST ADJUSTMENT	<u>\$ 55,562,064</u>
ADJUSTMENT TO INCOME TAXES:	
STATE INCOME TAX @5%	\$ (2,778,103)
FEDERAL INCOME TAX @35%	<u>\$ (18,474,386)</u>
TOTAL INCOME TAX EFFECT	\$ (21,252,489)
RETAIL ELECTRIC RATE BASE PERCENTAGE	<u>98.04%</u>
	<u>\$ (20,836,709)</u>

SOUTH CAROLINA ELECTRIC & GAS COMPANY
PLANT IN SERVICE, CONSTRUCTION WORK IN PROGRESS, AND RESERVE FOR DEPRECIATION

AT MARCH 31, 2017

	TOTAL PER BOOKS ADJ. FOR REGULATORY <u>ORDERS</u> \$	<u>RATIOS</u> %	ALLOCATED TO RETAIL \$
<u>ELECTRIC PLANT IN SERVICE</u>			
Production	\$ 4,560,863,175	96.78%	\$ 4,414,003,381
Transmission	\$ 1,267,386,871	96.63%	\$ 1,224,637,912
Distribution	\$ 3,204,286,684	99.99%	\$ 3,203,934,212
General	\$ 210,652,172	97.90%	\$ 206,221,994
Intangible	\$ 94,173,154	97.90%	\$ 92,192,620
Common	<u>\$ 346,381,335</u>	97.90%	<u>\$ 339,096,668</u>
TOTAL	<u>\$ 9,683,743,391</u>		<u>\$ 9,480,086,787</u>
<u>CONSTRUCTION WORK IN PROGRESS</u>			
Production	\$ 4,461,886,315	96.78%	\$ 4,318,213,576
Transmission	\$ 370,303,525	96.63%	\$ 357,813,188
Distribution	\$ 16,560,502	99.99%	\$ 16,558,680
General	\$ 36,895,351	97.90%	\$ 36,119,413
Intangible	\$ 36,149,885	97.90%	\$ 35,389,625
Common	<u>\$ 6,504,441</u>	97.90%	<u>\$ 6,367,647</u>
TOTAL	<u>\$ 4,928,300,019</u>		<u>\$ 4,770,462,129</u>
<u>RESERVE FOR DEPRECIATION</u>			
Production	\$ 2,156,066,464	96.78%	\$ 2,086,641,124
Transmission	\$ 353,385,095	96.63%	\$ 341,486,619
Distribution	\$ 990,126,962	99.99%	\$ 990,018,048
General	\$ 167,553,359	97.67%	\$ 163,654,510
Common	<u>\$ 166,504,474</u>	97.67%	<u>\$ 162,630,032</u>
TOTAL	<u>\$ 3,833,636,354</u>		<u>\$ 3,744,430,333</u>

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
RETAIL ELECTRIC OPERATIONS**

AT MARCH 31, 2017

<u>NET DEFERRED DEBITS/CREDITS</u>	<u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u>	<u>ACCOUNTING & PROFORMA ADJUSTMENTS</u>	<u>TOTAL AS ADJUSTED</u>
Environmental	(320,589)		(320,589)
Watersee Scrubber Deferral - Ratebase Adj	14,874,956	-	14,874,956
FASB 106 Rate Base Reduction	(100,499,310)	(118,412)	(100,617,722)
Pension Deferral - Rate Base Adj	32,567,636	-	32,567,636
Canadys Retirement - Rate Base Adj	67,772,237	-	67,772,237
Storm Reserve	-	-	-
TOTAL	14,394,930	(118,412)	14,276,518
<u>MATERIALS & SUPPLIES</u>			
Nuclear Fuel	217,906,093	-	217,906,093
Fossil Fuel	44,290,959	11,895,270	56,186,229
Other Materials & Supplies	128,383,165	-	128,383,165
TOTAL	390,580,217	11,895,270	402,475,487
<u>WORKING CAPITAL, OTHER THAN MATERIALS & SUPPLIES</u>			
Working Cash	112,075,410	47,435	112,122,845
Prepayments	77,619,123	-	77,619,123
Total Investor Advanced Funds	189,694,533	47,435	189,741,968
Less: Customer Deposits	(53,963,381)	-	(53,963,381)
Average Tax Accruals	(114,320,868)	-	(114,320,868)
Nuclear Refueling	(7,182,095)	-	(7,182,095)
Injuries & Damages	(6,872,715)	-	(6,872,715)
TOTAL WORKING CAPITAL	7,355,474	47,435	7,402,909

SOUTH CAROLINA ELECTRIC & GAS COMPANY
ACCOUNTING & PRO FORMA ADJUSTMENTS
TOTAL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED MARCH 31, 2017

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	MATERIALS & SUPPLIES	ADIT	DEFERRED DBT/CRDT	WORKING CASH
1	WAGES, BENEFITS & PAYROLL TAXES		26,248,050		1,855,114	(1,405,158)	(9,344,302)							3,281,006
2	INCENTIVE COMPENSATION ADJUSTMENT		(13,663,341)		(931,183)	729,726	4,852,679							(1,707,918)
3	ANNUALIZE HEALTH CARE		135,397			(6,770)	(45,019)							16,925
4	REMOVE EMPLOYEE CLUBS			(132,573)		6,629	44,080	(5,435,697)	(2,088,282)	(9,781)				-
5	PROPERTY RETIREMENTS							(7,071,694)	(7,071,694)					
6	REMOVE NEW NUCLEAR AMOUNTS	(389,558,528)			(1,732,756)	(19,391,289)	(128,952,069)			(4,633,629,910)		(274,245,200)		
7	CWIP							167,815		(167,815)				
8	ANNUALIZE DEPRECIATION BASED ON CURRENT RATES			2,767,573		(138,379)	(920,218)		2,648,125					
9	ADJUST PROPERTY TAXES				3,461,235	(173,062)	(1,150,861)							
10	ANNUALIZE INSURANCE EXPENSE		(319,166)			15,958	106,123							(39,896)
11	OPEB		197,081			(9,854)	(65,529)						(121,698)	24,635
12	TAX EFFECT OF ANNUALIZED INTEREST					7,144,182	47,508,809							
13	ANNUALIZE RENT REVENUE	(636,900)			(2,833)	(31,703)	(210,827)							
14	REMOVE AMOUNTS ASSOCIATED WITH DSM	(37,232,164)	(11,876,488)		(165,609)	(1,259,503)	(8,375,697)							(1,484,561)
15	FUEL INVENTORY										12,378,013			
TOTAL		(427,427,592)	721,533	2,635,000	2,483,968	(14,519,223)	(96,552,831)	(12,339,576)	(6,511,851)	(4,633,807,506)	12,378,013	(274,245,200)	(121,698)	90,191

SOUTH CAROLINA ELECTRIC & GAS COMPANY
ACCOUNTING & PRO FORMA ADJUSTMENTS
RETAIL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED MARCH 31, 2017

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	MATERIALS & SUPPLIES	ADIT	DEFERRED DBT/CRDT	WORKING CASH
1	WAGES, BENEFITS & PAYROLL TAXES		25,539,353		1,805,026	(1,367,219)	(9,092,006)							3,192,419
2	INCENTIVE COMPENSATION ADJUSTMENT		(13,294,431)		(906,041)	710,024	4,721,657							(1,661,804)
3	ANNUALIZE HEALTH CARE		131,741			(6,587)	(43,804)							16,468
4	REMOVE EMPLOYEE CLUBS			(129,488)		6,474	43,055	(5,321,380)	(2,039,689)	(9,575)				-
5	PROPERTY RETIREMENTS							(6,922,971)	(6,907,140)					
6	REMOVE NEW NUCLEAR AMOUNTS	(389,558,528)			(1,732,756)	(19,391,289)	(128,952,069)			(4,484,427,027)		(265,414,505)		
7	CWIP							167,623		(167,623)				
8	ANNUALIZE DEPRECIATION BASED ON CURRENT RATES			2,733,401		(136,670)	(908,856)		2,616,733					
9	ADJUST PROPERTY TAXES				3,388,443	(169,422)	(1,126,657)							
10	ANNUALIZE INSURANCE EXPENSE		(312,454)			15,623	103,891							(39,057)
11	OPEB		191,760			(9,588)	(63,760)						(118,412)	23,970
12	TAX EFFECT OF ANNUALIZED INTEREST					6,914,484	45,981,318							
13	ANNUALIZE RENT REVENUE	(619,054)			(2,754)	(30,815)	(204,920)							
14	REMOVE AMOUNTS ASSOCIATED WITH DSM	(37,232,164)	(11,876,488)		(165,609)	(1,259,503)	(6,375,697)							(1,484,561)
15	FUEL INVENTORY										11,895,270			
	TOTAL	(427,409,746)	379,481	2,603,913	2,386,309	(14,724,488)	(97,917,848)	(12,076,728)	(6,330,096)	(4,484,604,225)	11,895,270	(265,414,505)	(118,412)	47,435

EXHIBIT B

SOUTH CAROLINA ELECTRIC & GAS COMPANY
CAPITAL STRUCTURE
AT MARCH 31, 2017

<u>RETAIL ELECTRIC</u>	<u>CAPITALIZATION</u>	<u>RATIO</u>	<u>EMBEDDED</u>	<u>OVERALL</u>
	\$	%	COST/RATE	COST/RATE
			%	%
LONG-TERM DEBT	5,428,770,000	50.26	5.80	2.92
PREFERRED STOCK	100,000	0.00	0.00	0.00
COMMON EQUITY	<u>5,373,018,414</u>	<u>49.74</u>	9.19	<u>4.57</u>
TOTAL	<u>10,801,888,414</u>	<u>100.00</u>		<u>7.49</u>

** Includes additional \$500 Million LTD.

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

TWELVE MONTHS ENDED MARCH 31, 2017

NET INCOME AFTER DIV. OF PREF. STOCK	\$508,495,451
EARNINGS PER SHARE	\$3.56
AVG. NUMBER OF SHARES OUTSTANDING	142,916,917

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RATIO OF EARNINGS TO FIXED CHARGES ¹
TWELVE MONTHS ENDED MARCH 31, 2017

LINE NO.		\$000's
1	EARNINGS	
2	Net Income	744,041
3	Losses from Equity Investees	2,861
4	Total Fixed Charges, As Below	<u>282,959</u>
5	TOTAL EARNINGS	<u>1,029,861</u>
6	FIXED CHARGES	
7	Interest on Long-Term Debt	265,575
8	Other Interest	10,155
9	Amort. Of Debt Prem. - Discount & Exp. (Net)	3,278
10	Rental Int. Portion	3,951
11	Distribution on Trust Preferred	<u>-</u>
12	TOTAL FIXED CHARGES	282,959
13	Pre-tax earnings required to pay Preference Security Dividend	<u>-</u>
14	Total Fixed Charges and Preference Security Dividend	<u>282,959</u>
15	RATIO OF EARNINGS TO FIXED CHARGES	3.64
16	¹ - SEC COVERAGE	